



## LOCAL PENSION COMMITTEE – 25 MARCH 2022

### REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

#### PENSION FUND TRAINING POLICY

##### Purpose of the Report

1. The purpose of this report is to seek the Committee's approval of the revised Training Policy (Appendix) for the Pension Fund.

##### Background

2. The Pensions Regulator (TPR) identifies good governance as essential for a pension scheme to be successful. The following extract from TPR's website explains the link to training:

“There is a clear link between good governance and good fund performance so it is an essential part of effective scheme management. Without good governance, you are unlikely to achieve good outcomes for members. Good governance is about having motivated, knowledgeable and skilled people involved with running the scheme. It's also about having the right structures and processes to enable effective, timely decisions and risk management, and to provide clear scheme objectives. It helps you to effectively oversee:

- administration and record-keeping
- investment and funding (in local government schemes)
- communications with members

You should spend time and resources getting your scheme governance right. This will help you to minimise risk and maximise opportunities for your scheme and your members. Investing in good governance is likely to save you in the long run, delivering good value for members and employers, and improving member outcomes.”

3. TPR places specific responsibilities on Pension Board members, they must:
  - be conversant with (i.e. have a working knowledge of) your scheme rules and any document recording policy about the administration of your scheme
  - have knowledge and understanding of the law relating to pensions scheme rules and administration policies
  - You must have a working knowledge of your scheme rules and documented administration policies in enough detail to know where they are relevant to an issue understand and if necessary challenge any advice that you're given.

4. The Fund's Training Policy was first agreed 8 November 2019 by the Local Pension Committee. The training policy has been refreshed and was taken to the Local Pension Board for comment on 16 February, which endorsed the revised policy.

### **Training Policy**

5. Members of both the Local Pension Board and Committee should demonstrate a suitable level of knowledge and understanding. The Training Policy sets out the Fund's approach to delivery, assessment and recording plans.
6. Board and Committee Members are asked to complete a Training Needs Assessment on a yearly basis. The results of the questionnaire, together with the current priorities for the Fund are used to decide on the approach and topics of training offered.
7. Officers, on a regular basis, inform Committee and Board members of relevant training opportunities, including:
- Face-to-face sessions provided by external bodies e.g. Local Government Association.
  - Face-to-face sessions held internally, delivered by officers and/or the Fund's providers e.g. actuary, investment advisers, investment managers. Sessions may be held jointly with both Committee and Board, or held separately, depending on priorities and availability. Some sessions may be held adjacent to scheduled meetings and may be linked to specific issues on the agenda.
  - Recommended reading material to keep up-to-date with pensions issues.
  - Modules of the Hymans on-live training package
8. In addition, induction training will be made available for all new members of the Committee and Board, including potential substitute members.
9. Each Member of the Committee will also receive an Information Pack which will contain information key to their role as set out in the Training Policy. The contents of the pack is shown below and will be subject to change over time. The pack is focused on investment related areas in the main and hence Committee members are asked to bring a copy to meeting whilst Board members are not.

<b>1</b>	<b>Title</b>	<b>Purpose</b>
1	AGM Presentation	General Background
2	Investment Strategy Statement	Provides the structure in relation to how the Fund's investments are managed
3a	Asset Strategy and Structure	Details the allocation of assets to specific classes, the rational and expected return
3b	Investment Mapping to LGPS Central Pool	Comparison of current investments to LGPS Central's expected offering
4	Responsible Investment and Engagement Framework (LGPS)	Explains how Environmental, Social and Corporate Governance (ESG) factors are accounted for in LGPS Central's investment process
5	Actuarial Valuation Report	High level outcomes from the 2016 actuarial valuation
6	Funding Strategy Statement	Governs how employers pay their liabilities
7	Active Equities Newsletter	Explain use of Style Analytics in manager monitoring
8	Investment Performance Overview	Demonstration and Explanation of Portfolio Evaluation's manager performance reports

9	LGPS central accounts	Updated annually. Year end March. Accounts available during Q2/Q3 later in the year.
10	Hymans 2019 valuation	This is the actuaries valuation of the Fund and is completed every 3 years.
11	Summary of member benefits	Shows the key features of the LGPS
12	Local fund governance	To cover: ToR for local pension committee and pension board, current members of both
13	Web links covering National Governance	To cover: Regulations for governance, benefits and investments, guidance, scheme advisory board, pensions regulator code of practice, section 13 review of funding by government actuary, cost cap mechanism
14	Training	Web link to pensions regulator toolkit Our training programme

11. The Training Policy was reviewed January 2022 and is appended. One addition was proposed to reference the additional training material from Hymans for both Committee and Board Members. These modules are web based and include a video summary from pensions professionals, printable slides if needed and knowledge checks at the end of the module. There are six modules to complete which cover the following:

- a. Module 1 – an introduction to the LGPS
- b. Module 2 – LGPS Governance and oversight bodies
- c. Module 3 – administration and fund management
- d. Module 4 – funding and actuarial matters
- e. Module 5 – investments
- f. Module 6 – current issues

12. Hymans are able to provide feedback to the Fund on the regarding take up and completion of the modules by officers and members on a monthly basis.

13. Recording and reporting of training and will be completed for Committee and Board members, with inclusion in the Fund's Annual Report.

### **Recommendation**

14. That the Committee approve the revised Training Policy.

### **Equality and Human Rights Implications**

15. None.

### **Appendix**

Appendix - Training Policy for the Local Pension Committee and the Pension Board

### **Background Papers**

None

### **Officers to Contact**

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